2017 Florida Price Level Index*

The Florida Price Level Index (FPLI) was established by the Legislature as the basis for the District Cost Differential in the Florida Education Finance Program. It represents the cost of hiring comparable personnel across school districts. Extensive data on wages is used to estimate the relative cost of hiring comparable workers among Florida's 67 counties in a given year.

The table below presents the 2017 FPLI, along with the 2016 and 2015 indices. The index is constructed so that the population-weighted average is 100. The median Floridian, ranked by 2017 county FPLI, lives in Hillsborough County, with an index value of 100.66. That is, less than half of Floridians live in counties with index values greater than 100.66, less than half in counties with index values less than 100.66, and the rest live in Hillsborough County. The 10 counties with index values over 100.66 account for 47.79 percent of the state's population and the 56 counties with index values below 100.66 account for 45.50 percent.

The map on the next page displays the distribution of the FPLI across Florida. As population density increases, workers face higher housing costs, longer commutes, or both, for which they are compensated by higher wages. Therefore, although many things affect counties' FPLI values, counties that are more urban tend to have higher values.

County	2017	2016	2015	County	2017	2016	2015	County	2017	2016	2015
Alachua	97.45	96.43	95.83	Hamilton	90.89	91.03	91.14	Okaloosa	99.34	98.69	98.07
Baker	96.79	96.94	97.06	Hardee	94.76	95.12	95.92	Okeechobee	96.98	97.29	97.05
Bay	96.77	95.93	95.02	Hendry	99.58	98.34	98.13	Orange	100.87	100.71	100.46
Bradford	96.22	96.37	96.49	Hernando	96.05	96.51	96.35	Osceola	98.53	98.38	98.13
Brevard	98.43	98.29	98.59	Highlands	94.18	93.01	93.43	Palm Beach	105.04	105.67	105.42
Broward	102.27	102.71	103.23	Hillsborough	100.66	101.14	100.97	Pasco	97.96	98.43	98.27
Calhoun	92.51	91.71	90.84	Holmes	92.78	92.16	91.58	Pinellas	99.82	100.33	100.81
Charlotte	98.23	97	98.1	Indian River	100.18	100.54	99.3	Polk	96.20	96.50	96.34
Citrus	93.77	93.45	93.69	Jackson	93.06	91.3	90.33	Putnam	95.06	95.21	95.33
Clay	98.83	98.98	99.1	Jefferson	94.35	93.51	93.04	Saint Johns	101.02	100.29	99.16
Collier	106.01	104.69	104.47	Lafayette	90.67	89.73	89.22	Saint Lucie	99.81	99.86	98.53
Columbia	94.26	93.35	93.47	Lake	97.38	97.23	96.99	Santa Rosa	96.95	96.79	95.48
Dade	101.79	102.33	102.63	Lee	102.23	100.95	100.74	Sarasota	100.39	100.16	101.62
De Soto	96.68	95.71	97.1	Leon	97.16	96.3	95.81	Seminole	99.44	99.28	99.03
Dixie	92.1	91.14	90.57	Levy	94.07	93.09	92.51	Sumter	96.03	95.07	94.83
Duval	101.18	101.34	101.46	Liberty	92.08	91.27	90.8	Suwannee	92.70	91.41	91.07
Escambia	97.29	96.6	95.96	Madison	91.86	90.33	89.87	Taylor	92.08	90.42	89.96
Flagler	94.67	93.92	94.03	Manatee	98.07	97.85	99.28	Union	95.15	95.30	95.41
Franklin	93.11	91.13	89.16	Marion	93.88	93.29	94.41	Volusia	95.72	95.57	95.33
Gadsden	94.6	93.76	93.29	Martin	101.83	101.89	100.53	Wakulla	94.66	93.82	93.35
Gilchrist	94.22	93.24	92.66	Monroe	105.47	103.33	101.35	Walton	98.06	96.47	95.02
Glades	97.87	96.87	96.63	Nassau	98.76	98.58	98.7	Washington	92.99	92.18	91.31
Gulf	93.22	92.41	91.54								

About the FPLI

Prior to 2003, the FPLI was a weighted average of the relative prices of goods and services purchased by consumers. However, across geographic areas, other things being equal, places that are more productive, and thus more attractive to firms, will have higher wages and prices, while places that are more pleasant in which to live, and thus more attractive to workers, will have lower wages and higher prices. Consequently, in areas that are otherwise less attractive to live in, relative wages will exceed relative prices, while in areas that are otherwise more attractive to live in, relative prices will exceed relative wages. As a result, a simple weighted average of the relative prices of purchased goods and services does not accurately measure differences among school districts in the cost of hiring comparable personnel.

Beginning with the 2003 FPLI, statistical techniques have been used to estimate an index of relative wages across Florida's 67 counties. The calculation is based on wage and employment data for hundreds of occupations collected by the Florida Department of Economic Opportunity's Bureau of Labor Market Statistics as part of the U.S. Bureau of Labor Statistics' Occupational Employment Statistics Survey. Although data for all occupations is not available for every county, data for many occupations is available even in small counties. The calculation compares wages across counties holding occupation constant. This means that, all else equal, a county's index is not impacted by having more or less workers in high wage occupations, but only by having higher or lower wages within occupations as compared to wages in other counties in those same occupations.

Once the initial index has been estimated, additional techniques are used to reduce statistical variation. First, a predicted value is generated for each county based on the correlation between the initial index and characteristics related wage levels, for example population. This predicted index and the initial index are combined by calculating a weighted average of the two. To illustrate, if the weight placed on the predicted index in the weighted average were 0.4, the weight placed on the initial index would be 0.6. The weights for each county are calculated to maximize the precision of the resulting estimate. Therefore, the higher the precision of the predicted index relative to the initial index, the higher the weight placed on the predicted index and the lower the weight placed on the initial index. Second, wages in nearby counties cannot differ too much from one another without inducing workers to commute from the low wage county to the high wage county. Therefore geographic smoothing is applied to ensure differences in estimates for nearby counties are not inconsistent with their geographic proximity.